

SMD2 Interactive Market Trials

**Presented to the
Billing & Accounting Working Group
February 25, 2004
Agenda # 4**

Draft – for discussion only

Definitions

- ✦ **FAT (Factory Acceptance Test) – Acceptance testing of purchased SMD2 components.**
- ✦ **Market Trials – the overall SMD2 integrated test process.**
- ✦ **Interactive Market Trials – Market Participant exercises.**
 - *Sandbox exercises – Interaction with the MIS and OASIS.*
 - *Virtual Market exercises – Market exercises designed to simulate an SMD2 production environment.*

Review

✦ Original plan (April deployment)

- *1 week for MIS sandbox exercises*
- *3 weeks for virtual market exercises*
- *November SMD2 Tech Conference revealed concerns with Market Trials schedule.*
- *Market Participants indicated that 3 – 4 times the amount of time allotted for Interactive Market Trials exercises would be needed for adequate testing, remediation, and retesting.*



Revised Schedule

✦ **The revised schedule provides almost 4 months of Interactive Market Trials exercises.**

- *6 weeks for MIS Sandbox exercises*
- *9 weeks for virtual SMD2 Market exercises*

Revised Schedule

✦ Upload / Download *Sandbox* exercises

- *Provide access to the SMD2 MIS environment for upload / download testing*
- *Exercises begin in mid-April*
- *Facility available M/W/F 10AM – 3PM*
- *Facility will be available for 6 consecutive weeks*
- *Results will be simulated – the markets will not run in this exercise*
- *Upload / download file format review currently underway*

Revised Schedule

✦ MIS web-based *Sandbox* exercises

- *SMD2 MIS web screen access*
- *SMD2 OASIS access*
- *Exercises begin in mid-May*
- *Facility available M/W/F 10AM – 3PM*
- *Facility will be available for 4 consecutive weeks*
- *Results will be simulated – the markets will not run in this exercise*

Revised Schedule

✦ Virtual DAM exercises

- *NYISO will publish forecast and network conditions for simulated market day*
- *Market post and close times will be skewed for exercises*
- *Run 1 or 2 exercises per week*
- *NYISO will host scheduled review (Q&A) sessions*
- *Exercises will begin in mid-June*
- *Exercises will run for 3 consecutive weeks*



Revised Schedule

- ✦ **Virtual DAM/RT two-settlement exercises**
 - *Run and post DAM*
 - *Run 24-hour virtual RT Market using simulated dynamic system performance data*
 - *Post RTS results*
 - *Issue bills*
 - *Run 1 exercise per week*
 - *NYISO will host regular review (Q&A) sessions*
 - *Exercises begin in early July*
 - *Exercises will run for 6 consecutive weeks*
 - *Schedule will be subject to power system conditions*



SMD2 User Training

- ✦ **SMD2 User Training will begin in early May.**
 - *Training designed for proficient user's*
 - *One day course on SMD2 bidding and market concepts.*
 - *½ day B&A Workshop scheduled for May 18th.*

Virtual Market Results

- ✦ **Virtual market exercise results may not be consistent with expectations due to the level of participation in each exercise, and the nature of the bids and offers submitted.**
- ✦ **It is important to note that the Market Trials are a test of the systems and processes, and not a market simulation exercise. Market Participants are encouraged to submit bids that are consistent with the exercise system and forecast conditions.**

Virtual Market Results

- **Market participants will be involved with SMD2 market performance testing via a panel of sector representatives.**
- **Sector representatives will assist in defining SMD2 market test scenarios and review test results with NYISO staff.**
- **Confidentiality will be observed.**